



Patrick H. Merrick, Esq.
Director – Regulatory Affairs
AT&T Federal Government Affairs

Suite 1000
1120 20th Street NW
Washington DC 20036
202 457 3815
FAX 202 457 3110

December 11, 2002

Via Electronic Filing

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W., Room TW-B204
Washington, DC 20554

Re: Notice of *Ex Parte* Presentation: CC Dockets No. 96-45, 98-171, 90-571, 92-237,
99-200, 95-116, 98-170 and NSD File No. L-00-72

Dear Ms. Dortch:

AT&T submits this *ex parte* to describe a solution that would mitigate the harm of unbillable revenues as described in AT&T's December 4, 2002 *ex parte*. AT&T has requested the Commission *not* to constrain a carrier's recovery of its universal service obligation in a manner that would preclude recovery of unbillable revenues. However, should the Commission decide to limit line-item recovery so that an IXC would be precluded from including in its line-item charge its USF obligations associated with customers to whom it cannot bill the line-item, the FCC should require the LEC that issues the bill to the end user on behalf of the IXC to include on the end user bill within 30 days of authorization from the IXC the appropriate USF charge, as defined by the IXC (either a USF line-item or an increase in the IXC's per minute or monthly recurring rates). Failure to meet that obligation should render the LEC that failed to include the appropriate charge responsible for paying the IXC's associated USF expense. In addition, any IXC increase in per minute or monthly recurring rates that is designed to recover USF expenses should be deemed authorized and lawful and not require any individualized notice to affected customers even if the service provider does not use that USF recovery method with other customers.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick H. Merrick".

cc: Matthew Brill
Eric Einhorn
Jordan Goldstein
Daniel Gonzalez
Christopher Libertelli